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INTERIM REPORT 1969

for the six months ended June 30

MINDUSTRIAL
CORPORATION LIMITED

MINDUSTRIAL CORPORATION LIMITED

CONSOLIDATED INTERIM REPORT

Six months ended June 30, 1969
(Unaudited)

Operating Results

	<u>1969</u>	<u>1968</u>
Sales	\$6,235,000	\$4,597,000
Income before tax	592,000	439,000
Income tax	327,000	194,000
Income after tax	265,000	245,000
Earnings per share	<u>39¢</u>	<u>36¢</u>

To the Shareholders:

Consolidated sales in the first half of 1969 increased appreciably over the volume achieved in the corresponding period in 1968, in which period sales and earnings were adversely affected by a strike in the automotive industry. Income before tax increased approximately in proportion. However, because of the change in the incidence of income as between the various subsidiaries, the effect of taxes on income in the period under review was significantly heavier in 1969 than in the prior year. As a consequence of all of the foregoing, income per share in the first half of 1969 amounted to 39¢ compared to 36¢ per share in the first half of 1968.

In early June, Mindustrial, through a newly created subsidiary, purchased Highway Trailers of Canada Ltd. and Highway Trailers Eastern Ltd., two companies engaged in the manufacture of stainless steel and aluminum highway vans. The accounts of these companies, since the date of their acquisitions, have been included in this consolidated report.

It is expected that earnings for the full year 1969 will exceed those reported for 1968 unless a prolonged strike in the Canadian steel industry or a reduction in the rate of growth of the nation's economy adversely affects the results of one or more of the affiliated companies.

On Behalf of the Board
J. G. EDISON
President

Toronto, Ontario,
August 15, 1969.

Source and Application of Funds

Funds were provided by:

	<u>1969</u>	<u>1968</u>
Net profit for 6 months	\$265,000	\$245,000
Depreciation	83,000	64,000
Increase (reduction) in deferred income tax	(10,000)	(8,000)
Other charges (credits) not requiring an outlay of funds ..	60,000	(20,000)
	<u>\$398,000</u>	<u>\$281,000</u>
Issuance of common shares	—	94,000
Issuance of redeemable preference shares of a subsidiary	217,000	—
Proceeds from sale of a subsidiary	34,000	—
Increase in long term debt	327,000	—
	<u>\$976,000</u>	<u>\$375,000</u>

Funds were used to:

Purchase fixed assets	\$668,000	\$148,000
Pay dividends	136,000	136,000
Purchase shares of an affiliated company	10,000	—
Advance to affiliated companies	102,000	250,000
Advances to subsidiaries not consolidated	—	82,000
Purchase goodwill of subsidiary companies	210,000	—
	<u>1,126,000</u>	<u>616,000</u>
Increase (decrease) in working capital	<u>\$ (150,000)</u>	<u>\$ (241,000)</u>